

MPC

HIGHLIGHT

JULY
2022

Nigeria's Monetary Policy Committee (MPC) increased its benchmark interest rate for a second successive meeting – the first time in more than a decade – to curb the accelerating inflation. The MPC voted unanimously to hike the rate by 100 basis points to 14.00% (six members voting to raise by 100 basis points, three by 50 basis points and one each calling for increases of 75 and 150 basis points).

Please see below, a summary of the committee's decisions:

- MPR increased to 14.00% from 13.00%
- Retain CRR at 27.50%
- Retain Liquidity ratio at 30%
- Maintain an asymmetric corridor at +100/-700 basis points around the MPR.

The committee expressed concern about the persistent "aggressive movement in inflation", even after it hiked rates by 150bps at its May 2022 meeting and highlighted the broad shocks to capital flows due to the monetary policies of major global economies.

The committee reiterated its resolve to curtail the spiraling inflation, narrow the negative real interest rate spread, restore price stability, while providing the necessary support to strengthen the fragile Nigerian economy.